



Our Reference: ID408590:TM:MR
Your Reference:
Contact Name: Tony Meppem

22 March 2018

Rodd Staples
Secretary, Transport for NSW
PO Box K659
HAYMARKET NSW 1240

Dear Mr Staples,

RE: SUBMISSION: THE DRAFT NSW FREIGHT AND PORTS PLAN

I write to provide feedback regarding the Draft NSW Freight and Ports Plan which is currently on exhibition.

My organisation is Narrabri Shire Council which is situated in the North West of New South Wales. Our Shire is the major source of containerised product for export in the North West Region with 33.2% of containerised product volume originating in this Shire. The Shire is renowned as the home of the modern Australian cotton industry and currently exports approximately 655,000 tonnes of containerised products.

An efficient and cost-effective container freight supply chain is vital to our shires farmers and businesses to ensure they remain competitive in the worlds markets. The Shire's exporters are excitedly awaiting the completion of the Inland Rail project which will allow easy access to the Port of Brisbane as well as our existing Botany and Newcastle ports.

The draft NSW Future Transport 2056 Strategy and the Draft NSW Freight and Ports Plan identify congestion issues with Port Botany. Substantial government infrastructure projects are proposed to alleviate this congestion. However, both documents ignore the underutilised freight capacity that already exists at the Port of Newcastle.

A container terminal at the Port of Newcastle would provide substantial savings to the NSW taxpayer and businesses. Its inclusion in the NSW Freight and Ports Plan as a complementary option to Port Botany would improve NSW competitiveness (particularly for the northern half of NSW) compared with other Eastern Australian states and provide a cost effective option for our Shires businesses other than Brisbane to ensure our business is retained within NSW and not diluted to Brisbane.

- 1. A container terminal at the Port of Newcastle would offer NSW cargo owners the choice of the most efficient and cost-effective supply chain for their cargo, delivering significant cost savings and efficiency gains.**

Without a container terminal choice, NSW exporters are paying more to send their freight further afield to Port Botany. In many cases, the freight is railed or driven right past the Port of Newcastle only to create further congestion in Sydney.

A Newcastle container terminal would generate substantial cost savings for NSW exporters, making them more internationally competitive.

The cost savings delivered could also improve the current and future viability of farms in northern and western NSW.

Estimated cost savings to send freight to the Port of Newcastle by rail, rather than Port Botany:

- Nearly 50% from Tamworth
- Nearly 40% from Narrabri
- Up to 32% from Moree
- Up to 15% from Dubbo

Estimated cost savings to send freight to the Port of Newcastle by truck, rather than Port Botany:

- 15% from Tamworth
- 13% from Narrabri
- 12% from Moree
- Up to 3% from Dubbo

- 2. The Port of Newcastle has the existing rail, road, land and shipping channel infrastructure to build a container terminal now, without billions in NSW Government spending. It appears from Government calculations that a container terminal at Newcastle could save the taxpayer more than \$1 billion.**

Utilising the existing port land, shipping channel, and road and rail supply chains at the Port of Newcastle could save the NSW Government in excess of \$AU1 billion (compared with reclaiming portside land together with building new road and rail infrastructure to establish a container terminal at Port Kembla).

The Port of Newcastle provides a complementary option to Port Botany, and can help offset some of the congestion issues that are outlined in the government plans. This could defer or eliminate much of the Government spending that is flagged for to address congestion and capacity issues at Port Botany.

The Port of Newcastle already has direct rail access to the national Australian Rail Track Corporation (ARTC) network. This includes the North South Rail Corridor connecting Brisbane, Sydney and Melbourne. The Port is also part of the Hunter Valley Rail Network, connecting the Hunter Valley and Western NSW. Importantly, the Port will also have a direct link via the existing ARTC track to the Inland Rail at Narrabri, helping prevent the loss of NSW trade to Brisbane and Melbourne. Port Botany and Port Kembla do not have a direct rail link to the Inland Rail.

A container terminal at the Port of Newcastle would also deliver a faster solution for the industry. The Freight and Ports Plan exhibited contemplates Port Botany as the sole container port until after 2040.

- 3. Importing containers through the Port of Newcastle would mean less trucks on Sydney CBD roads.**

Currently NSW imports are unpacked in Sydney and trucked all over NSW. The Port of Newcastle has the capability to handle large 10,000 TEU container vessels, The Port also has substantial industrial land within the port and neighbouring areas to accommodate distribution centres.

The Port of Newcastle is much closer to many of the major regional NSW centres throughout central west, north and north west NSW than Port Botany.

Importing cargo via the closest port means less trucks on Sydney roads, and a shorter journey from the port to the final delivery destination. This would deliver cost savings for NSW consumers.

A Newcastle container terminal would be a complementary option to Port Botany, create genuine competition between the two port operators and allow NSW importers and exporters to choose the most efficient and cost-effective supply chain for their cargo.

Increased competition is beneficial to NSW importers and exporters, consumers and the broader NSW economy.

Council supports the development of a Newcastle container terminal for the benefit of NSW. Any disincentive to this development is effectively a tax on NSW farmers, importers and consumers and should be removed.

Yours faithfully

Tony Meppem
DIRECTOR DEVELOPMENT & ECONOMIC GROWTH